



## Rules and Ancillary Document Review Checklist

All responses should be in **bold** format.

Document Reviewed:

**WAC 458-16-284 Fire Companies; and  
WAC 458-16-286 Humane Societies.**

Date last adopted: **4/3/94**

Reviewer: **Kim M. Qually**

Date **LAST** review completed: **9/9/99**

Date Supplemental review completed: **5/26/05**

Is this document being reviewed at this time because of a taxpayer or business association request? **YES** ☐ **NO** ☒

Type an "x" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

### 1. Explain the goal(s) and purpose(s) of the documents:

**The goal and purpose of WAC 458-16-284 is to describe the property tax exemption available to private volunteer fire companies under RCW 84.36.060. It explains the exemption and the terminology related to the exemption.**

**The goal and purpose of WAC 458-16-286 is to explain the property tax provided to nonprofit organizations that prevent cruelty to animals and do other benevolent acts towards animals as authorized by RCW 84.46.060. The rule contains a brief explanation of the rule and terminology used in administering the exemption.**

### 2. Need:

YES	NO	
<b>X</b>		Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are being implemented? Does it provide detailed information not found in the statutes?)
	<b>X</b>	Is the document obsolete to a degree that the information it provides is of so little value that the document warrants repeal or revision?
	<b>X</b>	Have the laws changed so that the document should be revised or repealed?
<b>X</b>		Is the document necessary to protect or safeguard the health, welfare (budget levels necessary to provide services to the citizens of the state of Washington), or safety of Washington's citizens? (If the response is "no", the recommendation must be to repeal the document.)



Please explain.

**WACs 458-16-284 and 286 were written in 1994 to inform taxpayers and local taxing officials about the two exemptions that are briefly mentioned in a later part of RCW 84.36.060, which provides a number of exemptions. Both rules explain the terminology related to the two exemptions and the conditions under which property tax exemptions will be granted to a nonprofit fire company and a nonprofit human society.**

**WAC 458-16-284 describes the exemption that is available to nonprofit nongovernmental fire companies. WAC 458-16-286 explains the exemption for a nonprofit organization that operates as a humane society.**

**3. Related ancillary documents, court decisions, BTA decisions, and WTDs:** Complete Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an ancillary document. Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs) and Audit Directives (ADs) are considered ancillary documents.

(a)

YES	NO	
	X	Are there any ancillary documents that should be incorporated into this rule?
	X	Are there any ancillary documents that should be repealed because the information is currently included in this or another rule, or the information is incorrect or not needed?
X		Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions that provide information that should be incorporated into the rule?

(b)

YES	NO	
		Should this ancillary document be incorporated into a rule?
		Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that affects the information now provided in this document?
		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the document?

If the answer is “yes” to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

**Moses Lake-Grant County Humane Society & SPCA v. DOR, Docket No. 42999 (1993) & Benton-Franklin Humane Society v. DOR, Docket Nos. 55944 & 55945**



(2001) - "actual use" required - ownership alone will not qualify the property for exemption. [WAC 458-16-286]

**4. Clarity and Effectiveness:**

YES	NO	
X		Is the document written and organized in a clear and concise manner?
X		Are citations to other rules, laws, or other authority accurate?
X		Is the document providing the result(s) that it was originally designed to achieve?
	X	Do changes in industry practices warrant repealing or revising this document?
	X	Do any administrative changes within the Department warrant repealing or revising this document?

Please explain.

**WACs 458-16-284 and 286 were adopted in 1994. They are written in a clear and concise manner in the format now favored by DOR and include introductory paragraphs explaining the intended use of the rules. Because the rules were recently adopted, the style and content of the rules were carefully reviewed in 1993 and 1994 and written in a user friendly manner.**

**The rules as written achieve their intent and purposes. DOR isn't aware of any problems created by either rule since they were adopted in 1994.**

**5. Intent and Statutory Authority:**

YES	NO	
X		Does the Department have sufficient authority <b>to adopt</b> this document? (Cite the statutory authority in the explanation below.)
X		Is the document consistent with the legislative intent of the statutes that authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed <b>to implement</b> ?) If "no", identify the specific statute and explain below. List all statutes being implemented in Section 9, below.)
	X	Is there a need to recommend legislative changes to the statutes being implemented by this document?

Please explain.

**RCW 84.36.865 grants DOR the authority to adopt rules and regulations as may be necessary or desirable to permit the effective administration of the chapter 84.36 RCW relating to property tax exemptions.**

**6. Coordination:** Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.



YES	NO	
	<b>X</b>	Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency?

Please explain.

**Property tax exemptions are administered by the Property Tax Division of DOR. Local governments and other state agencies, as appropriate, are consulted during the rule-making process so the chance of adopting duplicative and/or inconsistent rules is minimal.**

**7. Cost:** When responding, consider only the costs imposed by the document being reviewed and not by the statute.

YES	NO	
	<b>X</b>	Have the qualitative and quantitative benefits of the document been considered in relation to its costs?

Please explain.

**These are interpretive rules that impose no additional administrative burdens on taxpayers not already imposed by the statutes in chapter 84.36 RCW.**

**8. Fairness:** When responding, consider only the impacts imposed by the document being reviewed and not by the statute.

YES	NO	
<b>X</b>		Does the document result in equitable treatment of those required to comply with it?
	<b>X</b>	Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?
	<b>X</b>	Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community?

Please explain.

**These rules apply uniformly to all nonprofit fire companies and humane societies that receive or seek a property tax exemption under RCW 84.36.060. Since the rules were adopted in 1994, no problems related to them have been brought to DOR's attention.**

## 9. LISTING OF DOCUMENTS REVIEWED:

Statute(s) Implemented:

**RCW 84.36.060: Art, scientific, and historical collections and property used to maintain, etc. such collections – Property of associations engaged in production and performance of musical, dance, artistic, etc, works – Property to be used for exempt**



**purpose in future – Fire engines, implements, and buildings of cities, towns, or fire companies – Humane societies**

Ancillary Documents (i.e., ETAs, PTBs, and ADs): **None**

Court Decisions: **None**

Board of Tax Appeals Decisions (BTAs):

**Benton-Franklin Humane Society v. DOR, Docket Nos. 55944 & 55945 (2001):**  
**Was property being actively used for humane society purposes? No pets on site; office used for fund raising and telephone work; property was for sale. Statute confers exemption only when property is in actual use for the purposes of the exemption. No active use - property was found to be taxable.**

Administrative Decisions (e.g., WTDs): **None**

Attorney General's Opinions (AGOs): **None**

Other Documents: **None**

**10. Review Recommendation:**

- ☒ Amend (WAC 458-16-286)
- ☐ Repeal
- ☒ Leave as is (WAC 458-16-284)
- ☐ Begin the rule-making process for possible revision.
- ☐ Incorporate ancillary document into a new or existing rule.

**Explanation of recommendation:**

**WAC 458 -16-284 is accurate as written and there is no new information that needs to be incorporated into the rule. There is no need to take any action on it at this time.**

**Because of the BTA case related to the rental and use of property owned but not used by a nonprofit humane society, when next amending WAC 458-16-286 the BTA's holding and reasoning in the Moses Lake-Grant County Humane Society & SPCA v. DOR and Benton-Franklin Humane Society v. DOR decisions should be incorporated. There is no compelling need to amend the rule at this time.**



**11. Manager action:** Date: June 1, 2005

       Reviewed recommendation      AL        Accepted recommendation

       Returned for further action

Comments:

**Priority 4**